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# AGRICULTURAL COOPERATION

April 6, 1929

Vol. VII, No. 7.

## NATIONAL CHAMBER OF AGRICULTURAL COOPERATIVES

A definite movement to create a National Chamber of Agricultural Cooperatives was launched in Washington, D. C., March 21, 1929. This new organization is to function as a service and trade association for the 12,000 farmers' business associations in the United States.

The association is the outgrowth of a movement started at the fourth session of the American Institute of Cooperation, at Berkeley, Calif., in the summer of 1928. Its purpose is to represent in a national way the cooperative business of agriculture, both as regards marketing and the purchasing of farm supplies. The recently held pre-organization meeting was attended by 35 representatives of commodity federations and large-scale associations.

The plan of organization calls for representation in the national body by commodity groups, such as cotton cooperatives, livestock cooperatives, dairy cooperatives, etc., and by the associations for cooperative purchasing. Membership may be by individual cooperatives or through a commodity federation, but each commodity division will select a representative.

The purpose of the national chamber will be to develop bonds of friendship, understanding and mutual helpfulness among agricultural business cooperatives, to work out policies of common concern, and in general to further the cooperative commerce of agriculture.

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION  
COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING  
BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C.

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## INCREASED BUSINESS BY LAND O'LAKES CREAMERIES

More dairy products, more poultry products and more machinery and creamery supplies were sold by the Land O'Lakes Creameries, Inc., Minneapolis, Minn., in 1928 than ever before. A total of 86,611,577 pounds of butter was handled during the year. A large portion of this quantity was sold at a premium as 93-score sweet cream butter. Sales of sweet cream increased from 470 cars in 1927 to 566 cars in 1928. Ninety-three per cent more milk powder was sold last year than in the previous year. Cheese to the amount of 2,036,678 pounds was sold, also 3,240,450 dozen eggs (108,015 cases) and 1,989,476 pounds of poultry. Sales by the machinery and supply department amounted to \$1,921,050 and the total business for all departments was \$47,834,068. This is the largest total in the history of the organization as will be noted by the figures below:

Year	Number of creameries	Butter printed (Pounds)	Butter sold (Pounds)	Sweet cream sold (Cars)	Powdered milk sold	Total business*
1923	450	-----	-----	---	-----	\$ 608,979
1924	476	-----	-----	---	-----	13,122,598
1925	445	9,514,932	79,106,082	---	-----	33,889,226
1926	---	17,263,442	80,622,786	317	1,200,000	39,851,656
1927	---	23,039,604	84,412,139	470	2,821,045	46,315,079
1928	465	-----	86,611,577	566	5,453,487	47,834,068

\* Includes dairy products, poultry products, machinery and creamery supplies.

At the close of the year the association was serving 465 member-creameries located in Minnesota, Wisconsin, Illinois, Missouri, Iowa, North Dakota, and South Dakota.

The amount of capital invested in the enterprise has increased since 1924 from \$339,128 to \$1,449,502. This capital is represented by certificates of indebtedness, share capital, reserves, and undistributed net earnings.

At the close of 1928 certificates of indebtedness and accrued interest amounted to \$567,677; share capital outstanding amounted to \$50,595; and reserves amounted to \$855,576. The net worth from year to year has been as follows: 1924, \$210,526; 1925, \$356,807; 1926, \$408,272; 1927, \$655,577; 1928, \$906,171.



ILLINOIS MILK ASSOCIATION FOUR YEARS OLD

"By far the largest and most enthusiastic dairy marketing meeting ever held in Peoria" was the fourth annual meeting of the Illinois Milk Producers' Association, held February 21, with 375 members in attendance. Reports of the officers showed that 250 new members had come into the association during 1928 and only 5 had taken advantage of the withdrawal privilege, making a total membership at present of 1,245. Of this number 858 delivered milk last year. These members are very largely in three counties, Peoria, Tazewell and Woodford, with a few in each of 9 other counties.

Members of the association last year shipped 28,851,865 pounds of milk, which quantity the management states is 85 per cent of the fluid milk received in Peoria last year. Sales of pooled milk amounted to \$636,123 and the year's operations resulted in a net income of \$4,601. This was added to the general surplus which now stands at \$10,756. The association has a net worth of \$14,157, compared with \$6,726 a year ago.

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MINNESOTA CREAMERY MAKES TWENTY-SECOND REPORT

The twenty-second annual report, of the Fergus Cooperative Creamery Association, Fergus Falls, Minn., shows receipts of 4,115,232 pounds of cream during 1928, compared with 3,640,895 pounds in 1927. Patrons also delivered 848,663 pounds of milk, and the two sources yielded 1,131,857 pounds of butterfat which made 1,363,512 pounds of butter. Sales of butter, buttermilk, and buttermilk powder totaled \$639,033, of which the patrons received \$615,139. The average price paid patrons for butterfat was 54.98 cents a pound and the average net price received for butter was 46.38 cents a pound.

Sales of milk, cream and cottage cheese amounted to \$45,488, of which the patrons received \$36,831. The egg department made sales of \$25,975 and returned \$24,098 to the producers; and the poultry department's sales were \$44,102, of which \$43,732 went to the patrons.

Total sales of the four departments aggregated \$754,598 and total returns to patrons, \$709,800. In 1927 total sales were \$644,762 and returns to producers, \$604,429.

Net income from the butter department was \$8,560; from milk and cream department, \$3,970; egg department, \$1,316; poultry department \$6,843; making a total of \$20,689. Other items of income amounted to \$2,113, and expenses totaled \$12,315, leaving a net income of \$10,287, from which an egg dividend of \$1,225 was paid, also a poultry dividend of \$6,882, leaving the sum of \$2,180.

PROSPEROUS COOPERATIVE CREAMERY IN MINNESOTA

Since its organization in 1916 the Farmers' Cooperative Creamery Company, Mora, Minn., has grown into an enterprise transacting an annual business of more than \$600,000. At first the principal activity was that of making and marketing butter. Now it makes butter, grinds feed and sells it to its patrons, turns buttermilk into powder, receives and forwards to market, eggs, poultry and hides, and also maintains an auditorium and rest room for its patrons.

During 1928 the creamery served 443 patrons. Butter sales amounted to \$418,028; buttermilk and buttermilk powder sales, \$9,899; cream sales, \$592; feed sales, \$139,194; poultry, egg and hide sales, \$28,956. Commissions received for collecting and shipping eggs amounted to \$2,195, and receipts for grinding feed amounted to \$3,256. Income from other sources brought the total business for the year up to \$603,693.

The growth of the enterprise since 1919 is indicated by the figures below:

Year	Patrons*	Butter made	Egg and poultry sales	Feed sales	Total business#
	(Number)	(Pounds)			
1919	---	264,949	-----	-----	\$146,895
1920	---	328,902	-----	-----	187,180
1921	425	542,685	-----	-----	223,536
1922	430	562,546	-----	-----	224,962
1923	420	643,190	\$37,901	\$18,078	312,492
1924	---	754,817	64,217	69,410	434,543
1925	392	823,997	85,782	72,334	515,971
1926	413	813,634	86,350	104,815	544,837
1927	435	821,414	65,932	150,239	601,097
1928	443	914,507	27,119	139,194	603,693

\* Delivering milk or cream.

# Sales of dairy products, poultry, eggs, hides, feed, coal, merchandise, and miscellaneous income from feed grinding, commissions, rents, etc.

During the last four years, eggs and poultry were bought from patrons and marketed as follows: 1925, 191,070 dozen eggs, 135,759 pounds of poultry; 1926, 172,410 dozen eggs, 159,021 pounds of poultry; 1927, 143,165 dozen eggs, 151,313 pounds of poultry; 1928, 7,300 dozen eggs, 115,074 pounds of poultry.

This creamery is one of the units of the Land O'Lakes Creameries, Inc., and makes Land O'Lakes 93-score sweet-cream butter.

### LIMA EQUITY CREAMERY HAS GOOD YEAR

The financial report of the Farmers' Equity Union Creamery, Lima, Ohio, shows sales of \$883,464 for 1928, with net earnings of \$19,312. The creamery manufactures butter and ice cream, and also handles whole milk and eggs. The membership is now approaching 2,000, and more than one thousand members attended the annual meeting. Paid-up capital stock amounts to \$153,601, there is \$32,300 in the surplus account, and the net worth is now \$185,902.

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### CANADIAN DAIRY MARKETING ASSOCIATION EXPANDING

At the annual meeting of the Manitoba Cooperative Dairies, Ltd., Winnipeg, held February 27, reports showed that the surplus from operations for 1928 amounted to \$36,545. Interest was paid on capital stock at the rate of seven per cent, and a cash refund was made to patrons. Where patrons were not shareholders the refund was applied toward a \$25 share of stock. The paid-up share capital at the close of the year amounted to \$86,858. It was decided at the annual meeting to take over another creamery.

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### BUTTER SALES AGENCY HAS INCREASED BUSINESS

Butter sales by the Chicago Equity Union Exchange, were the largest last year in the history of this cooperative enterprise. The Exchange is a sales agency operated in behalf of the Equity Union creameries at Aberdeen, S. Dak.; Orleans, Nebr.; Lima, Ohio; Pana, Ill.; and Fremont, Nebr. The Exchange also serves as a sales agency for the Illinois Cooperative Equity Union Exchange, Effingham, Ill., in the marketing of eggs.

Butter sales for 1928 included 344 car loads valued at \$2,969,276 f. o. b. Chicago. In addition nine car loads were sold for direct shipment from the Aberdeen creamery. Egg sales included 1,990 cases with a value of \$16,124.

Commissions earned by the Exchange for the year amounted to \$33,123, and operating expenses for the year were \$19,770.

Net earnings for the seven years that the Exchange has been operating amount to \$51,017. In addition to building up a surplus and paying dividends on share capital, patronage dividends have been paid. At the close of 1928 the net worth of the Exchange amounted to \$24,971. The growth of the enterprise during its seven years of activity is indicated by the pounds of butter sold, as follows: 1922, 3,336,481 pounds; 1923, 3,031,974; 1924, 2,623,481; 1925, 3,195,230; 1926, 5,354,870; 1927, 5,394,035; 1928, 6,618,885.



COOPERATION BETWEEN COOPERATIVES

Cooperatives are cooperating in Alberta. The Alberta Cooperative Dairy Producers, Ltd., and the Alberta Cooperative Poultry Producers, Ltd., are planning to sell their dairy products and their poultry products through one sales organization in order that they may be assembled, processed and marketed in the most economical and efficient manner.

Each is to retain its present identity and to be independent except for the marketing work. As the Alberta Cooperative Dairy Producers already has authority to handle poultry products, it will undertake the work, and the charter of the egg and poultry association be amended to conform to the new plan. Provision is also being made to admit two more organizations to the dairy association, the Innisfall Dairy Pool and the Calgary and District Milk Producers' Association.

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COOPERATIVE SALES AGENCY FOR CHEESE FACTORIES

Cheese sales for 1928 were the largest in the history of the St. Lawrence County Cheese Producers Cooperative Association, Inc., De Peyster, N. Y. A total of 3,147,540 pounds of cheese was sold for \$745,166.

During the winter of 1920-21 seven local cooperative cheese factories were formed in St. Lawrence County, and one of the number, the Macomb Cheese Producers' Cooperative Association, acted as sales agent for the entire group. In 1924 the number of cooperative factories had increased by 12, and the St. Lawrence County Cheese Producers' Cooperative Association, Inc., was formed as a sales agency for the 19 factories. It began operating April 1, 1925, and has been gaining strength as a marketing association, as will be noted by the figures below:

Year	Cheese sold	Sales
	(Pounds)	
1925*	2,940,474	\$654,069
1926	3,008,902	632,411
1927	2,798,114	647,801
1928	3,147,540	745,166

\* April 1 to December 31.

The federation is serving about 590 producers. Because of the volume of business and the quality of the product it is said to have had a favorable effect on cheese prices in northern New York.

### BIG INTERIM PAYMENT

The Canadian Cooperative Wheat Producers, Ltd., has recently made its first interim payment on 1928 grain, totalling more than \$26,000,000. Checks to growers were mailed from the offices of the three provincial pools on February 28. The payment was on the basis of 12 cents per bushel on most of the wheat, and on rye and flax. Manitoba members received \$2,289,455; Saskatchewan members, \$17,499,433; and Alberta members, \$6,410,035. The initial payment for Alberta grain was on the basis of 85 cents per bushel for No. 1 Northern at Vancouver.

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### REFUNDS TO PATRONS OF NEBRASKA SALES AGENCY

Two hundred eighty-three patrons of the National Grain Commission Company, Omaha, Nebr., received a refund of 35 per cent of the commissions they paid during the year. Of these patrons, 194 were elevator associations and 89 were individual shippers. The Farmers' Educational and Cooperative State Union of Nebraska owns all the stock of the National Grain Commission, and receives the net earnings which it passes on to the patrons. The largest amount paid to an association was \$255. Individuals received checks amounting to more than \$150.

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### KANSAS ASSOCIATION PLANS FOR POOL ELEVATORS

The Kansas Cooperative Wheat Marketing Association, Wichita, announces that it is establishing a cooperative elevator corporation as a subsidiary, with capital stock of \$500,000, to help provide grain handling facilities for its members. This corporation is still in the formative stages but is expected to begin operations the present season. At first it will limit its activities to local elevators, with the expectation of adding to existing terminal facilities later.

All the elevators acquired by the corporation will be operated as pool elevators serving members only. Wheat will not be bought from nonmembers nor accepted from them on consignment.

The corporation proposes also to handle coarse grain for its members on a consignment basis, shipping to the association's selling agency in Kansas City and returning selling price less handling expenses.

In order for members to secure the erection of an elevator at a given point, the corporation will require a sign-up of 150,000 bushels of wheat, based on average production. Where there is a prospect of leasing an elevator the corporation will require a sign-up of 75,000 bushels, based on average production. Whether elevators are owned or leased the association proposes to have managers who are friendly to the pool and who will work for its interests.

SALES AGENCY MAKES REFUNDS

Patronage refunds of \$140,400 have been paid by the Farmers' Co-operative Commission Company, Hutchinson, Kans., during the past 14 years. This enterprise is a cooperative sales agency operating on the grain exchanges at Hutchinson and Wichita, Kans. Its shareholders and patrons are a number of farmers' elevators. The largest patronage refund for any one marketing season was made for the 1926-27 year, when gross sales were \$8,514,573, and patronage refunds, \$37,455. The 1928-29 business year was the second largest in the history of the association. Total sales amounted to \$8,107,208, net earnings to \$27,351, patronage refunds to \$20,391, and \$15,849 was added to surplus.

During the past year 4,957 cars of grain were handled. Ninety per cent of the total business was for shareholder members and the remainder for non-shareholders. Eighty per cent of the business was transacted on the Hutchinson market and ninety per cent on the Wichita market.

At the close of the business year outstanding share capital amounted to \$88,700 and surplus to \$15,849, giving the association a net worth of \$104,549.

The growth of this farmer-controlled enterprise since 1915 is indicated by the figures for sales, net earnings, refunds and surplus, given below:

Year	Sales	Net earnings	Patronage refunds	Surplus
1916*	\$ 736,653	\$ 211	-----	---
1917**	1,816,213	1,869	\$1,701	---
1918**	1,979,953	711	-----	\$ 340
1919**	2,194,969	4,452	3,684	340
1920**	3,655,707	9,975	7,137	1,820
1921**	7,394,745	21,042	16,339	4,557
1922**	4,876,158	21,887	17,352	8,168
1923**	2,689,490	6,347	-----	13,786
1924**	2,179,687	2,197	-----	11,446
1925**	7,424,118	30,071	20,101	3,151
1926**	5,656,957	12,212	5,083	13,050
1927#	8,514,573	41,285	37,455	18,590
1928#	6,015,796	17,736	11,156	14,998
1929#	8,107,208	27,351	20,391	15,849

\* Year ending May 31.

\*\* Year ending April 30.

# Year ending the last of February.



COOPERATIVE LAMB SALES IN ALABAMA

Alabama is to have two cooperative lamb sales this year, one for early lambs and one for late lambs. Some 4,000 lambs were sold through similar sales last year and proved an object lesson to the farmers on the value of producing No. 1 lambs. Marketing specialists of the Extension Service are issuing instructions to growers regarding the care of lambs and methods of feeding in order that they may be in the best possible condition to command favorable prices.

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AN EARLY LIVESTOCK ASSOCIATION IN MINNESOTA

One of Minnesota's early livestock cooperatives is the Fergus Livestock Shipping Company, Fergus Falls, organized in 1914. Its annual report for the year ending February 1, 1929, shows shipment of 135 cars of stock, which included 1,246 cattle, 1,719 calves, 1,236 sheep, and 5,422 hogs, with a net home weight of 2,690,325 pounds. Value of the stock totaled \$237,405 and other income amounted to \$2,032. Patrons received \$221,693. Average receipts per car were \$1,768 and average net returns to patrons, \$1,642. Among the items of miscellaneous income was a patronage refund of \$641 from the Central Cooperative Association, St. Paul, and an item of \$932 for claim settlement by the railroad company. Net gain for the year was \$621.

Available figures given below indicate the development of the association through the years.

Year	Cars shipped	Animals shipped	Sales St. Paul	Paid patrons	Number of members
1915	---	---	\$ 33,741	---	190
1921	---	---	50,000	---	---
1922	---	---	100,000	---	---
1923	---	---	---	---	---
1924	48	3,982	69,052	\$ 63,515	---
1925	78	6,788	156,983	147,685	350
1926	169	12,682	301,585	284,624	---
1927	154	11,677	253,337	234,914	498
1928	135	9,623	237,405	221,693	---



GRAPE ASSOCIATION REDUCES INDEBTEDNESS

During 1928 the Pomfret-Chautauqua & Erie Grape Growers' Cooperative Association, Inc., Fredonia, N. Y., received 1,247 tons of grapes in 12-quart baskets, and 2,219 tons of grapes at the juice plants. A total of 8,823 2-quart baskets, and 24,061 4-quart baskets were packed at the packing house. Growers received the sum of \$123,408.

Sales of supplies amounted to \$83,692, by far the largest item being \$55,258 for feed; fertilizers came second with \$8,495; and grape baskets third with \$7,481.

Gross income for the year was \$215,004, and net earnings amounted to \$5,555. The association reduced its obligations to the bank by \$4,500. The active members now number 198, an increase of 14 in the year.

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SACRAMENTO RIVER ASSOCIATION REPORTS

Gross sales to the amount of \$1,161,937 are reported by the management of the Sacramento River Association, Sacramento, Calif., for the year ending September 30, 1928. The total number of packages of fruit handled was 488,582 and the total number of cars shipped, 819. Ninety-four cars were sold at private sales in 46 markets; and 401 cars were sold at auction in New York; 81 in Philadelphia; and 74 in Boston.

During the year \$86,926 was refunded to growers from accumulated deductions, including the 3½ cent refund per package for the past year.

The association members own and operate four community houses, which the past year packed 409 cars, half the number shipped by the association, constituting the deliveries of fruit from 123 growers.

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FLORIDA CITRUS GROWERS DRIVE OUT THIEVES

Citrus thieves have been practically routed from Pinellas County, Florida, through the combined action of growers and grower associations. Such large quantities of fruit disappeared nearly every night that the work of organized gangs was suspected. After due study the Pinellas Citrus Patrol was established. Three men in uniform patrol the groves 16 hours a day, each of the three being required to ride at least 300 miles a day. They have the assistance of special deputy sheriffs, but publicity is considered the greatest weapon.

Membership is open to all growers. Owners of large groves pay 10 cents per acre per month, and owners of small groves pay 15 cents a month. Some associations employ the patrol for their entire membership. About 5,000 acres of fruit is being patrolled.

DEALER SERVICE MEN HELP SELL CALIFORNIA FRUIT

Dealer service men of the California Fruit Growers Exchange, Los Angeles, have been giving much attention to teaching the trade how to sell medium and small sized oranges and grapefruit. Personal calls have proved an effective method in the campaign. Retail dealers have been shown how to buy, price and display the smaller oranges to secure the best sales results. Adding one or more oranges to each dozen at off-cent prices, has proved a popular method. To the end of February 46,841 retailers had been called upon personally by dealer service men. Displays were placed personally in 28,102 of these stores.

By means of monthly mailings all jobbers and thousands of their salesmen were kept informed of merchandising tactics to use in distributing the large crop. Three lines of material were also distributed by mail to 86,000 retail dealers. The first outlined the prospects for Christmas navel orange business, the second urged featuring lemons as a remedy for flu, and the third dealt with merchandising small oranges.

Grapefruit advertising brought good results. A 16-week campaign in the newspapers of eight Pacific Coast cities, colored cards in the street cars of these cities, and dealer service work, were the means employed.

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MEMBERSHIP WITHDRAWALS FROM ARKANSAS COTTON ASSOCIATION

Three hundred and seventy-four members of the Arkansas Cotton Growers' Cooperative Association, Little Rock, withdrew during the first withdrawal period under the new marketing contract. This number was but a small percentage of the total membership. Thirty-five per cent of the members gave reasons for their action, 65 per cent did not. The reasons given in the order of their frequency and the number of members giving each were: "Not satisfied," 36 members; "not raising cotton now," 31; "lost money," 27; "landlord won't allow," 12; "like old way best," 7; "costs too much," 5; "bankers won't allow," 4; other reasons, 10.

Of the members who withdrew, 37 had never delivered any cotton to the association. Fifty-three per cent of the withdrawing members had delivered one, two or three bales; 25 per cent had delivered from 4 to 6 bales; and 7 per cent from 7 to 10 bales. Thus 85 per cent had delivered not to exceed 10 bales each. Only four members had delivered more than 25 bales each and only 2 members more than 50 bales each. One of the latter has discontinued growing cotton.

Thirty-two per cent of these members had participated in the activities of the association for two years, 17 per cent for one year, 13 per cent for three years, 11 per cent for four years 7 per cent for five years, 5 per cent for six years, and 5.6 per cent for seven years. Nine per cent had not participated at all.

BUYING AND SELLING COOPERATIVES UNITE

After due consideration the directors of the San Diego Poultry Association, Inc., and the Poultry Producers of San Diego, both of San Diego, Calif., have approved a plan to merge the two corporations into one organization under the cooperative marketing act. The directors voted unanimously to recommend the merger and to submit the proposal to the stockholders of the two associations.

The membership of the two organizations is practically identical. Both are now organized under the corporation laws and it seems to those in authority that reorganization under the cooperative act would give a number of advantages.

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COOPERATIVE EGG STORAGE PROJECT

Alabama poultrymen are joining with the Alabama Farm Bureau Federation, Montgomery, in a project for the storage and marketing of eggs. Last year about 15 poultrymen in five counties placed 5,100 dozen in storage during the season of abundant production and sold when eggs were in demand on the local markets. The increase in net income is reported as 6 cents per dozen.

This season the Farm Bureau Federation will assume the leadership in this cooperative activity. The Federation will advance 20 cents per dozen to poultrymen for eggs received for storage, and will assume the responsibility of sales.

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COOPERATIVE POULTRY SALES IN ALABAMA

From about the middle of January to the middle of March, Alabama farmers shipped to market cooperatively 40 solid cars of poultry. The work will continue until June and the marketing specialists of the State Extension Service, who are assisting in the work, estimate that the shipments will total from 75 to 100 cars. Railroad cars are sent through the different counties where the county agents report there is enough poultry to warrant such action. Farmers deliver their poultry at the car door and receive their pay at once, on the basis of a guaranteed price which is announced some days before the sale.

Turkey sales are conducted on a similar plan a few weeks before Thanksgiving Day and again before Christmas.

During the past two years the Baldwin County Poultry Association has sold about \$100,000 worth of eggs. Its sales of eggs and poultry in 1928 amounted to \$78,000.



FARMERS' BUYING EXCHANGE STILL GROWING

New high records were made by the Eastern States Farmers' Exchange, Springfield, Mass., during the past year. Sales of feed and grain increased by 174,028 tons, a gain of 22.6 per cent; sales of fertilizer gained by 16,817 tons, or 29.6 per cent; sales of seeds amounted to 2,088,000 pounds more than in 1927, a gain of 166 per cent; 5,824 more gallons of paint meant a gain of 48 per cent; and 8,535 gallons of cod liver oil, an increase of 58 per cent. Sales reached a total of \$10,326,977. Net earnings were \$93,831, and expense of doing business was 2.8 per cent of gross sales.

While these are large figures, the manager in his annual report calls attention to the fact that they are mainly the result of the policies and methods of the association, the general policy being "to scientifically and conscientiously select the materials purchased for members so that they will earn for them the most on their investment, and to distribute those commodities at the lowest possible cost consistent with necessary service." In this selective work the Exchange is guided by specialists of the U. S. Department of Agriculture and of the state colleges and experiment stations. There is now one committee on dairy and stock feeds, one on poultry feeds, and one on crops and fertilizers.

Development of the association in eleven years from a \$200,000 business to one of \$10,000,000, is indicated by the following table:

Year	Number of members	Commodities handled (Tons)	Sales	Refunds to members
1918	-----	4,290	197,287	-----
1919	-----	15,196	967,224	-----
1920	-----	31,808	1,612,009	-----
1921	-----	37,885	1,567,061	-----
1922	-----	51,318	2,020,691	-----
1923	11,327	97,536	4,651,508	-----
1924	12,500	113,734	5,526,553	-----
1925	16,000	119,291	5,979,965	\$30,893
1926	17,800	131,980	6,279,810	50,172
1927	-----	155,275	7,722,900	57,767
1928	25,000	191,894	10,326,977	62,554

The Exchange is turning over its working capital about once in six days. By reducing the average time required for delivering cars from 4.8 days to 4.2 days, the amount of capital required was reduced about \$10,000. On January 1, 1929, the surplus fund stood at \$204,035. Dividends were paid to members to the amount of \$57,767 in 1927 and \$62,554 in 1928.



OHIO FARM BUREAU SERVICE COMPANY REPORTS

"Another successful year" is reported by the Ohio Farm Bureau Service Company, Columbus, although some lines of business decreased. The quantity of grain handled fell off 1,000,000 bushels through failure of the wheat crop. Sales of twine and seed were also reduced, however, sales of fertilizer increased by 16-2/3 per cent; feed by 38 per cent; and coal by 35 cars. New lines of goods handled included agricultural implements, automobile tires and tubes, and lubricating oils.

Total sales for 1928 amounted to \$4,470,272. Patronage dividends amounted to \$124,591, besides \$1,329 on grain, making a total of \$125,921. Net worth of the Service Company now stands at \$47,097.

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INDIANA FARM BUREAU BUYS MANY SUPPLIES

Business transacted by the Indiana Farm Bureau Purchasing Department, Indianapolis, in 1928 reached a total of \$2,919,137, compared with \$2,120,567 in 1927. The lines of commodities handled included: fertilizers, feeds, coal, oil, greases, twine, seeds, limestone, fencing, tires and batteries, gasoline, kerosene, farm implements, and cream separators. The last four items were added to the list in 1928.

A table comparing the sales of 1927 and 1928 indicates that gains were made in all lines of supplies handled except seeds and tires. The necessity for carrying over a large stock of seed resulted in heavy expenses, and the effort to sell tires at retail proved unprofitable. Profiting by this experience the seed division entered the 1929 business year with a very small stock on hand, and the association has decided that it should limit its operations strictly to the wholesale field.

The quantities of some of the leading articles handled were as follows:

	<u>1927</u>	<u>1928</u>
Fertilizers (Tons) .....	33,962	37,111
Feeds (Tons) .....	8,192	18,528
Coal (Tons) .....	50,002	61,075
Oil (Gals) .....	14,734	42,821
Greases (Lbs.) .....	2,352	9,123
Twine (Lbs.) .....	456,470	875,300
Seeds (Lbs.) .....	14,867	12,305

Patrons received refunds to the amount of \$134,101, while the handling charges and discounts allowed amounted to \$116,836, a total of \$250,937 in direct savings to members. The year closed with a net worth of \$22,820, compared with \$66,916 one year earlier.

COOPERATIVE EXHIBIT IN ROME

A consular report from Rome, Italy, dated January 28, states that an exhibition called the First National Cooperative Exhibition was held in Rome, during the month of November, to demonstrate the progress made by the Fascist cooperative organizations. Of a total of 8,850 societies in Italy about 8,000, with a membership of 2,000,000, were represented at the congress. The most important lines of cooperation making exhibits were associations for production, consumption, labor, agriculture, credit, and savings banks.

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COOPERATIVE MARKETING IN THE PHILIPPINES

Three associations have been organized and incorporated under the Cooperative Marketing Law enacted by the Philippine Legislature in 1927, and are now operating. This movement is largely an outgrowth of the cooperative marketing movement in the United States and it is expected will fill the need for a better marketing system for Filipino farmers.

The first association, the Philippine Cooperative Livestock Association, supplies about 35 per cent of the fresh beef consumed in Manila; the second is handling tobacco leaf; and the third, cocoanut, sugarcane, abaca, maguey, rice, and corn. These three associations are all nonstock.

Incorporation papers for five other associations have been filed with the Bureau of Commerce and Industry, two of which have capital stock. Also three associations are in the process of formation in the abaca-producing region.

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ONE OF FINLAND'S COOPERATIVES

Through a consular report from Helsingfors, Finland, comes the information that "every fifth person within the area of Elanto's field of operation is a member of the Society and more than one-half of all the families belong to the Elanto Society." The Elanto Society is an overhead organization with a membership of 40,000 and a business turnover of nearly \$6,000,000 a year.

This society owns and operates 230 stores, carrying nearly every line of commodities. It also owns and operates two farms, a mill, a large dairy, a sausage factory, a brewery for non-alcoholic beer, a mineral-water factory, a packing house, and various other productive establishments. Its administration building is an imposing structure containing a banquet hall large enough to seat 500, an assembly hall with a stage for entertainments, a library of 2,000 volumes for the use of employees, and a polyclinic where employees may receive immediate attention in case of illness.

Among the advantages offered by the society are collective insurance for its employees, and a credit of three per cent on all goods purchased by members from Elanto stores.

HISTORICAL SKETCHES, No. 5 FIRST LIVESTOCK SHIPPERS

The Farmers' Shipping Association, Superior, Nebr., formed in 1883, was probably the first organization of the kind. It is still operating. Local buyers were taking wide margins and also "lumping off" stock without weighing and the dissatisfied farmers decided to take a hand in the game. About 20 of them met in a schoolhouse near Webber, Kans., in December, 1882, to discuss the matter and make plans. As a result of the meeting they organized the Farmers' Shipping Association in 1883 with 60 charter members, some living on each side of the Kansas-Nebraska line. They shipped a car of hogs in November, 1883, probably "the first car of stock ever shipped by an organization formed specifically for that purpose."

One of the leaders of this enterprise states that many obstacles were put in the way of the shipping association. The railroad failed to furnish cars; price bribes were offered to members; the use of scales was refused; but the members stood faithfully by their new organization and in time it became the only shipper at Superior. The man who was manager of the association for 17 years modestly says, "I know it took a lot of hard work before the five buyers quit the field."

The association has shipped as many as 170 cars in one year and sales have ranged as high as \$220,000. Monday has always been the regular shipping day, and this gives the manager time to figure accounts, pay the bills, and make settlements by the end of the week.

The experience of these pioneer shippers has been of great value to other groups. However, there were only a few isolated shipping associations previous to 1900, and not many before 1910.

An even earlier association was the Goodlettsville Lamb and Wool Club, Goodlettsville, Tenn., formed in 1877. This is believed to be one of the oldest livestock marketing associations in the United States.

Goodlettsville sheep men were dissatisfied with the prices and treatment given them by buyers and about a dozen of them decided to sell their own lambs. They formed a club and outlined a simple plan of procedure. On a fixed day all the members brought their lambs to town, a committee sorted and graded them, then each lot was sold to the highest bidder on the basis of sealed bids. This plan was followed for years with few modifications. If the bids were unsatisfactory they were rejected and the lambs sent to the central market. Membership was open to "all farmers who kept sheep and would abide by the by-laws."

The earliest venture in cooperative livestock selling which has come to light was the Licking Exporting Company, Granville, Ohio, formed in 1820 to market produce. The first attempt at marketing was made with hogs which were driven to Sandusky where they were slaughtered and packed. The pork was shipped to Montreal by boat, accompanied by an agent to attend to the selling, but the price realized was only \$1.25 per cwt. and the unprofitable venture was not repeated.



COOPERATIVE BUTTER MARKETING IN WISCONSIN

"Cooperative Butter Marketing in Wisconsin" is the title of a bulletin by Theodore Macklin and Marvin A. Schaars, University of Wisconsin. This publication is devoted to problems of cooperative butter marketing in Minnesota, Iowa and Wisconsin. These states lead all others in creamery butter production, and in the quantities of butter manufactured cooperatively. In a contiguous section of these states comprising 71,023 square miles, is what the authors designate as the "Tri-State Butter Region." In this region was produced 395,904,000 pounds of butter in 1925, of which 76 per cent was made cooperatively, while in the less intensive area of the states there was manufactured 199,187,000 pounds, of which only 30 per cent came from cooperative creameries.

Cooperative effort among Wisconsin creameries is discussed from three points of view: first, the farmers' cooperative creamery manufactures butter in the local associations; second, groups of creameries have been organized into service associations for improvement of quality of cream, better manufacturing methods, and carlot shipments; third, the affiliation of the districts with other creameries for the "effective, large-scale, nation-wide distribution and sale of butter, as well as for rigidly conforming their butter to a determined standard." This latter group, representing 25 creameries in Wisconsin, is "developing cooperative butter marketing in a more complete and comprehensive way."

A study was made of 182 creameries of the state. By survey, records were obtained which gave sufficient information to make an analysis of the major factors affecting cooperatives. A sharp decline in costs was evident between the creameries manufacturing 150,000 pounds of butter or less, and the second group ranging from 150,000 to 750,000 pounds. With increases above this 750,000-pound group costs were reduced rapidly. The smaller creameries were also at slight disadvantage in selling both in New York and Chicago. The larger creameries returned to their patrons a slightly higher price for butterfat.

A section of the bulletin considers the "accomplishments of the large-scale cooperation by creameries," and discusses in considerable detail the benefits occurring from united action in selling. Comparisons were made of creameries selling cooperatively and those making all sales independently.

The discussion at the close of the bulletin concerning several important management problems of creameries, makes the bulletin of greater interest to creamery managers. A model annual statement for a cooperative creamery is given, in addition to much detailed information on the operation and management of Wisconsin cooperative creameries.

T. G. Stitts



OHIO FARMERS' ELEVATOR STUDIED

"Economic Aspects of Ohio Farmers' Elevators" is the title of Bulletin No. 416, written by L. G. Foster and published by the Ohio Agricultural Experiment Station, Wooster, Ohio. The conclusions presented are based upon data obtained from Ohio farmers' elevator associations, of which 165 furnished sufficient information to permit of a detailed analysis. The study deals with records as of 1924.

Although the elevator movement began in Ohio about 1904, relatively little progress was made until 1914. Between that time and 1920, 80 per cent of Ohio farmers' elevators were formed. Contrary to the oft repeated statement that cooperative associations are the product of depression periods, here we find organization stimulated by excessive middleman margins during a period of rising prices.

Elevators were classed by the author as "merchandise elevators" or "grain elevators", depending upon whether the major part of their business was derived from the handling of farm supplies or of grain. On January 1, 1925, the grain group as a whole showed neither surplus nor deficit, while the merchandise group had an average surplus of \$1,563. The condition of grain elevators varied from a deficit of \$20,673 to a surplus of \$32,070; that of merchandise elevators from a deficit of \$33,128 to a surplus of \$52,754. The average cost per dollar of sales for elevators of the grain group was 6.2 cents; that of the merchandise group was 7.0 cents. The costs of those elevators of each group with less than \$75,000 business were 9.0 and 9.5 cents respectively, while those with \$225,000 or over had costs of 4.7 and 4.9 cents respectively. Slightly lower costs per dollar of sales were incurred by a group of associations each of which operated two or more elevators, than were experienced by the average of a group of associations with similar volume per elevator. The margins taken on grain to cover costs varied from 2 cents per bushel to more than 12 cents. Over one-third of the elevators took more than 6 cents per bushel on corn, while more than one-half took 4 cents or more on oats and 6 cents or more on wheat.

Competition for Ohio farmers' elevators is furnished by 420 flour and feed mills, and 348 line and independent elevator companies, all within the state. There is at least one flour mill in every county. Competition is also provided by mills and other buyers outside the State of Ohio. A study of the movement of grain indicates that no single market obtains a monopoly of the business, nor does grain tend to move in any one direction.

The importance of the side-line or merchandising phase of the elevator business in Ohio is increasing, while the volume of grain handled is decreasing. Under average Ohio conditions a business of \$150,000 is necessary to the successful operation of an elevator. Those with less than this amount showed losses of from \$981 to \$3,284, and those with more showed surpluses varying from \$2,029 to \$9,078.

J. F. Booth

DAIRYMEN'S ASSOCIATION BUYS MARYLAND FARMER

The Maryland Farmer, Baltimore, a farm paper established in 1864, has recently been acquired by the Maryland State Dairymen's Association and will hereafter be conducted by a subsidiary of that organization, which is a price bargaining organization for the sale of its members' milk to Baltimore distributors. The paper is now "a farm paper owned by farmers."

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LIST OF OREGON'S COOPERATIVES COMPILED

A classified list of the cooperative marketing and purchasing associations of the State of Oregon has been compiled for use in a survey of the cooperatives of the state. The names of the associations are arranged alphabetically by commodity groups. The list covers 7 multi-graphed pages. Copies may be secured by addressing the Oregon Agricultural College, Corvallis, Oregon.

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MARKETING ACT OF NEW SOUTH WALES

A limited number of copies of a 24-page pamphlet entitled "A summary of the Marketing of Primary Products Act, 1927, as amended by the Marketing of Primary Products (amendment) Act, 1928," issued by the Minister of Agriculture, New South Wales, Australia, are available to readers of Agricultural Cooperation who have need for such a publication. In making request, address Division of Cooperative Marketing, Department of Agriculture, Washington, D. C.

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BOOKLET FOR LIVESTOCK MARKETING CLASSES

A 40-page booklet, entitled "Cooperative Live Stock Marketing Outline," has been compiled by the field service department of the Ohio Live Stock Cooperative Association, Columbus, for the use of classes in vocational agriculture. Shipping associations are described and discussed as to their purpose, functions, accomplishments and advantages, with illustrative examples. Producers' cooperative commission associations are dealt with in a similar manner, then a section is given to the packing industry, outlining its importance, its requirements, and the processes involved. Terminal markets are also described. The booklet is designed to furnish a theoretical basis for a project in livestock marketing, and the presentation is direct and practical.

REPORTED BY THE ASSOCIATIONS

By adopting more efficient methods, both the Florida Citrus Exchange and its affiliated locals have reduced their operating costs this season. Up to the first of March the expense of the Exchange averaged less than 7 cents a box, while some of the locals expected to be able to refund 15 cents a box.

Three representatives of the Division of Cooperative Marketing of the U. S. Department of Agriculture will take part in the program of the Marketing Specialists Section of the Cooperative Extension Conference of the North Central States to be held at Purdue University, LaFayette, Ind., April 24-26, 1928.

Collective activity by Iowa farmers in 1928 resulted in the running of five special limestone trains by one of the leading trunk line railroads. Eighty-one cars, containing 3,356 tons of limestone, were unloaded at such points along the right-of-way as were nearest the farms of the farmers who had purchased this soil sweetener.

In order to accomodate its increased business the Twin City Milk Producers' Association, S. Paul, is preparing to add a third story to the plant erected three years ago in Minneapolis. This building was erected with the idea of adding a third story if necessary and the plan can be carried out without interrupting the operation of the plant in any way. The cement slab which now serves as a roof will be the floor of the addition.

Iowa farmers will soon be able to buy oil, gasoline, kerosene, and similar commodities cooperatively through a new organization, the Farmers' Union Cooperative Association of Iowa. This association has been incorporated and is planning to open service stations in the shortest possible time. Another part of the program is to join forces with the purchasing committees of similar Farmers' Union enterprises in neighboring states for combined buying power.

The first Institute of Consumers' Cooperation in this country is to be held at Brookwood Labor College, 40 miles north of New York City, July 28 to August 3, 1929. This institute was first planned for the summer of 1928 then was postponed for one year. Arrangements are being made by the Eastern States Cooperative League, New York City. Morning sessions will be given to study and class work, afternoon to sports and recreation, and evenings to lectures and discussions. Prominent leaders in the movement will take part in the meetings.



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- Booth, J. F. The Canadian Wheat Pools. (Radio Address) The Wheat Grower, Grand Forks, N. D., March 15, 1929, p. 7.
- Cooperation in Cheese Sales. Rural New Yorker, New York City, February 23, 1929, p. 276.
- Dabney, Thomas Ewing. Federal Loan Banks and Cooperative Farm Associations Aiding Louisiana Agriculture: Orderly Marketing Made Possible Through Better Financing Methods. Manufacturers' Record, Baltimore, Md., February 21, 1929, p. 63.
- Direct Buying a Spur to Cooperation. (Editorial) Iowa Homestead, Des Moines, Iowa, March 7, 1929, p. 4.
- Individualism and Cooperation. (Editorial) Hoard's Dairyman, Fort Atkinson, Wis., March 10, 1929, p. 236.
- Jackson, R. L. Farmers Elevator Companies in Iowa: On the Whole These Companies Are Doing Well -- Better Than Most People Realize. The Iowa Homestead, Des Moines, Iowa, February 21, 1929, p. 18.
- Jesness, O. B. Problems of Cooperative Marketing. (Address) Cooperative Shipper, St. Paul, Minn., March, 1929, p. 5.
- Land O'Lakes Has Fine Meeting: Over 5,000 Dairymen Attend and Hear Reports of Continued Progress. The Farmer, St. Paul, Minn., March, 23, 1929, p. 7.
- Meiks, Scott. Direct Buying and Its Effect Upon the Public Competitive Market. (Address) Cooperative Shipper, S. Paul, Minn., March, 1929, p. 10.
- Stuhr, Leo. The Canadian Wheat Pool: I. Canada's Place in World Wheat Production. Nebraska Farmer, Lincoln, Nebr., February 23, 1929, p. 18; II. The United Grain Growers, Ltd., March 2, 1929, p. 22; III. The Effect of Government Control. March 9, 1929, p. 20; IV. Organization of the Pool. March 16, 1929, p. 28, V. Central Selling Agency. March 23, 1929, p. 34.
- What Cooperative Marketing Does for Potato Grower. Michigan Potato Growers' Exchange, Cadillac, Mich., February 20, 1929, p. 1.
- Williams, Mrs. H. C. On Co-op Trail in Minnesota. Dakota Farmer, March 15, 1929, p. 316.